



DIY vs BUY?

CONSENT & PREFERENCE MANAGEMENT

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DIY vs Buy?

As companies seek to improve customer experience and avoid communications-related violations, a question arises related to managing zero-party data (including consents, preferences, and insights data)...

Should this be a Do-It-Yourself initiative, or should the company retain outside help?

For small to medium-sized companies that interact with contacts through one or two communications channels, their needs may be met through their ESP and/or CRM solution. This approach includes an ESP or CRM-supplied center, and customer data like consent and preference data is stored within that system without the need to be shared.

For larger companies, the challenge is more complex. Enterprises are likely to need third-party solution and an experienced partner to assist with the management of consumer consent and preference data because the technology is hard, the planning and governance is harder, and the regulatory risk could cost millions of dollars if not executed with precision.

Technology is Hard

75% of business and IT executives anticipate that their software projects will fail.

31% of software projects are canceled before completion.

53% of software projects cost **189%** of their original estimates.

84% of software projects are not completed on time.

IT departments believe that they can build their own customer consent and preference solution. After all, at it's core, it's just a database. But in reality, it's so much more.

"Essential Software Project Failure Statistics in 2024," Zipdo. co Statistics

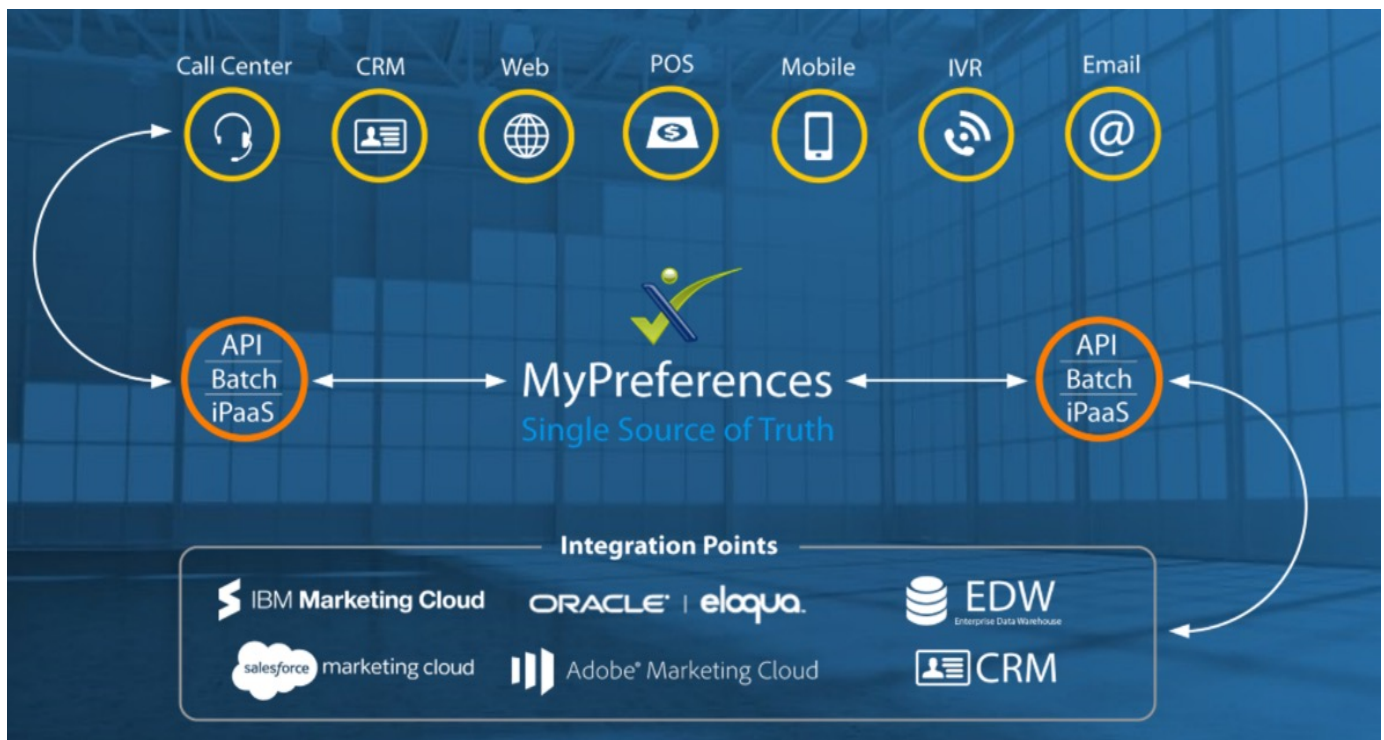
Successful projects require thorough business requirements, clear organizational communication, specific objectives, senior management involvement, and testing. IT must be prepared to set up new programs within the platform through configuration instead of code, collect preferences at a granular level, transactionalize data so that it is auditable, automate reporting, and link APIs for shared data functionality.

PossibleNOW begins most of our engagements with our experienced strategic consulting team, starting with organizational and system analysis. This provides the insights and guidance needed to develop an appropriate strategy and plan for the management of customer consents, preferences, and insights.

On average, these engagements uncover 13 separate communications systems or tools with distinct ownership of customer data inside each company. These include email service providers, marketing automation platforms, contact center solutions, CRM software, and more.

On a technical level, developing a platform designed to aggregate customer data collected from each system and distribute back to all systems is a significant challenge, particularly for an internal IT department lacking expertise for such a build.

Transactionalize and Centralize Consent



Most importantly – compliant consent management is not a one-time project. It is an initiative with ongoing development requirements for meeting ever-changing government regulations, internal feature requests, and rapidly evolving technology to meet customer needs.

Empowered with the appropriate technology and expertise, in-house IT teams gain greater control over customer communication systems. At a minimum, centralization of consents speeds the utilization of new technologies and eliminates costly redundancies. A well-designed platform is the essential companion to marketing automation, email service, and contact center solutions.

It harvests and safely stores the customer consents, preferences, and other insights data these technologies collect, solving an unavoidable challenge while enabling IT resources to focus on integration and optimization across the enterprise.

Features Must Evolve Continuously

- Configurable customer data programs
- Zero-party data collection interfaces
 - Compliance requirements
 - Program segmentation
 - Transactionalized data
- Batch and real-time integration
 - International configuration
- Search & manage zero-party data
 - User management
 - Operational alerts
 - Reporting

Planning and Governance are Harder

Beyond the technical hurdle, there is a larger, often unforeseen obstacle – planning and governance. A dangerous misperception of the management of consents and preferences is that it is exclusively a technical challenge. Instead, it is as much a cross-departmental initiative as it is a technical build.

Compliant consent management is best facilitated through a cross-functional team responsible for defining the approach. At an enterprise company, for example, this team often includes representation from marketing, sales, product support, compliance, digital services, and more.

Led by members with budgetary and personnel control within their departments, the work of the team is managed day-to-day at a staff level through shared planning and collaborative identification of challenges, goals and dependencies.

Business Requirements	IT Development	Production	Customer Support
Marketing	IT Analysts	Database Administrators	Marketing
Product Management	Programmers	Production Support	Compliance
Customer Service	Quality Assurance		Customer Service
Business Analysts			Legal

Most IT departments are ill-suited to earn cross-departmental approvals, navigate broad communications inventories and mapping, facilitate the creation of the business rules that govern the collection of consent and preference data for user experience and compliance, or prioritize communications channels.

These challenges don't stop with IT.

We commonly see customer experience professionals attempt to treat the collection of consent and preference data as if it is the equivalent to the customer registration process. Customer registration is typically treated as a one-time event, where consent and preference collection is conducted along the entire customer lifecycle.

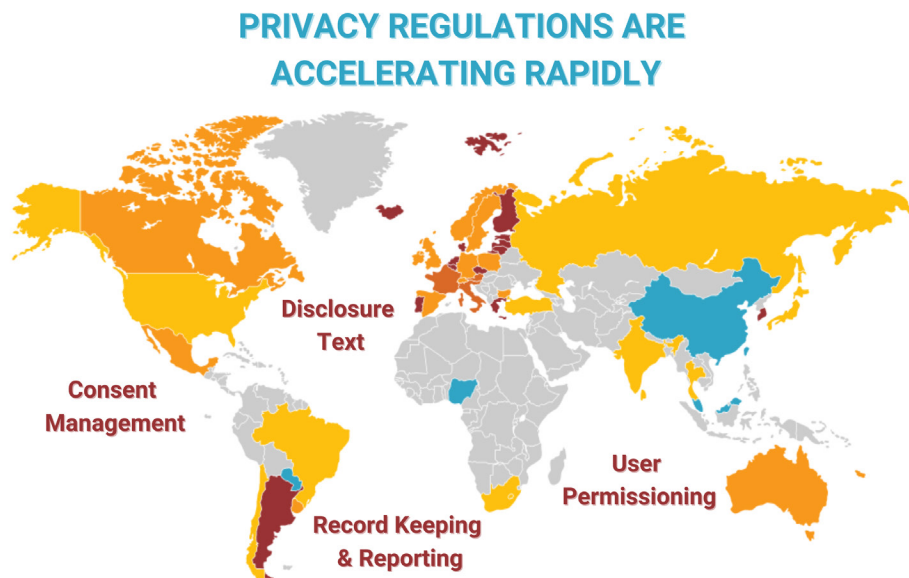
Regulatory Risk Demands an Experienced Approach

Zero-party data collection is a critical opportunity to earn consent and protect the right to interact with consumers. Moreover, appropriate storage and maintenance of such data through an active program protects its legal authority when challenged.

These functions are not luxuries – they are table stakes for survival in a world that includes the EU's General Data Protection Regulation (GDPR), Canada's Anti-Spam Law (CASL), and the United States Telephone Consumer Protection Act (TCPA) and many more.

VIOLATION Robocaller, 2023 – \$300 million for TCPA violations using autodiallers and number spoofing

Google, 2023 - \$93 million for CCPA violations, tracking user locations without consent **VIOLATION**



Fines and penalties vary by law and jurisdiction, but any consent management initiative without appropriate compliance oversight and expertise leaves enterprises exposed to unprecedented risk.

VIOLATION Meta, 2023 – €390 million, for forcing EU users to consent by withholding platform usage

Axpo Italia, 2023 – €10 million, for processing outdated and incorrect customer data **VIOLATION**

Experts Advise Engaging a Specialized Solution Provider

Establishing a process for the management of consent and preference data across the modern enterprise is no small feat. As noted previously, it is an effort that demands cross-departmental collaboration, the introduction of new research and interpretation capabilities and true organizational adoption on a level that few other initiatives would enjoy.

“The reason we decided not to build in-house is because we’d tried it before,” observed a senior IT executive at SiriusXM. “As the data scaled and regulations changed, it became evident that we really needed a partner in this domain.”

Buying Saves Time and Money

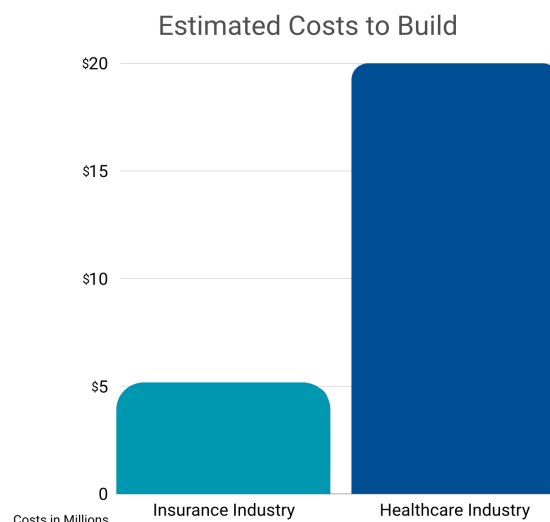
When comparing the cost of building vs. buying, the results have been startlingly clear.

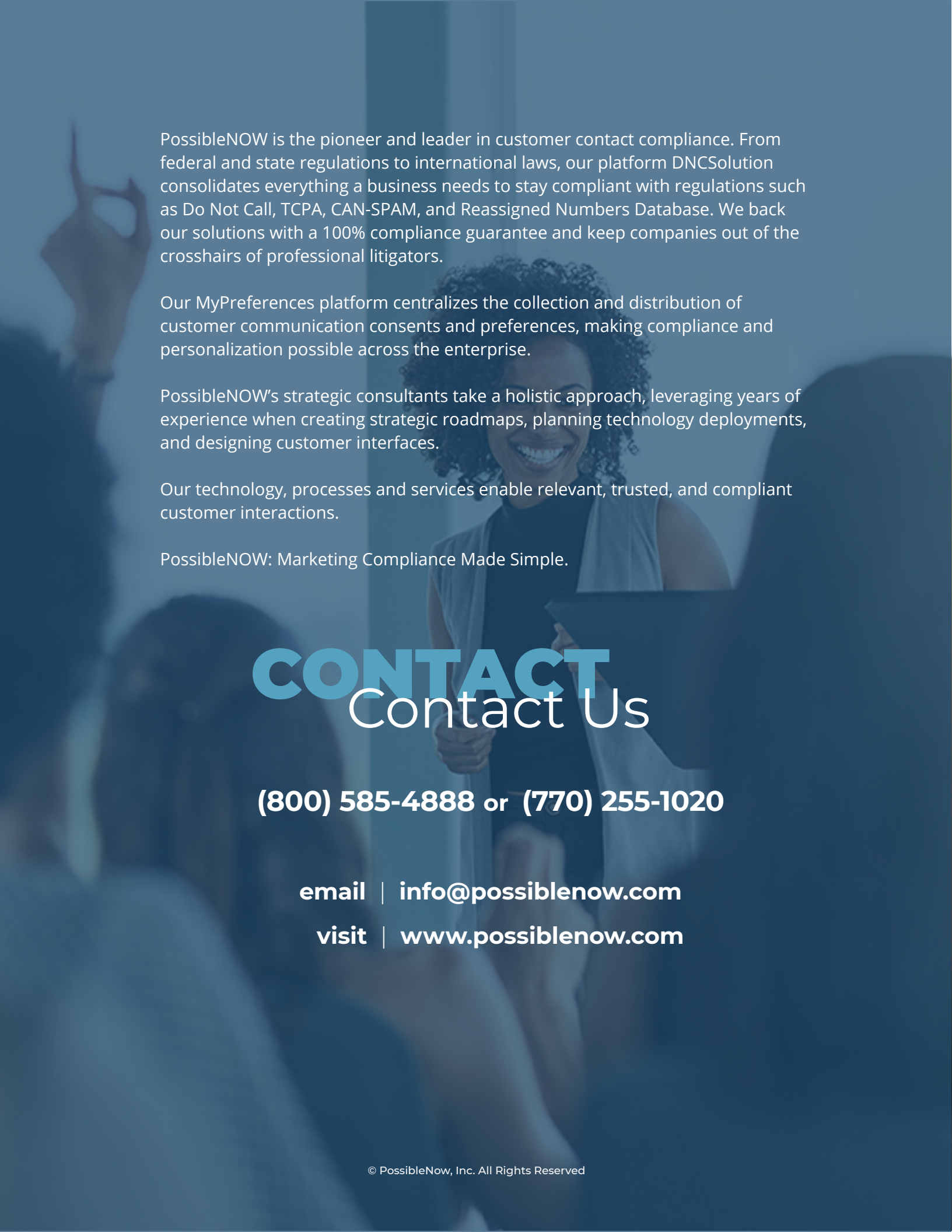
A leading multinational insurance corporation quoted an internal consent management platform build at more than \$5 million with a minimum of 18 months to deploy. Meanwhile, a large health benefits and services company estimated data collection and storage at \$20 million.

The size and disparity between these estimates highlights the challenges enterprise marketing and technology leaders face. Not knowing exactly how to undertake the initiative, many arrive at a prohibitively expensive conclusion.

Moreover, these only refer to baseline functionality and do not include ongoing modifications and cost of ownership. Based on the average estimates for change requests to existing systems, typical costs run between \$500,000 to \$1M and take 6 months to complete.

If you would like to talk to an expert to better understand the approach, benefits, and cost of outsourcing your consent and preference management initiative, give us a call.





PossibleNOW is the pioneer and leader in customer contact compliance. From federal and state regulations to international laws, our platform DNCSolution consolidates everything a business needs to stay compliant with regulations such as Do Not Call, TCPA, CAN-SPAM, and Reassigned Numbers Database. We back our solutions with a 100% compliance guarantee and keep companies out of the crosshairs of professional litigators.

Our MyPreferences platform centralizes the collection and distribution of customer communication consents and preferences, making compliance and personalization possible across the enterprise.

PossibleNOW's strategic consultants take a holistic approach, leveraging years of experience when creating strategic roadmaps, planning technology deployments, and designing customer interfaces.

Our technology, processes and services enable relevant, trusted, and compliant customer interactions.

PossibleNOW: Marketing Compliance Made Simple.

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